STATE OF NORTH DAKOTA COUNTY OF BURLEIGH

BEFORE THE SECURITIES COMMISSIONER

In the Matter of Pentad Securities,)		
Inc. and Warren B. True,) (CONSENT ORDER	
)		
Respondents.)		

The North Dakota Securities Commissioner has advised the Respondent, Pentad Securities, Inc. and Warren B. True, that the Commissioner is prepared to commence formal action pursuant to North Dakota Century Code Chapter 10-04 and has determined as follows:

- 1. Respondent, Pentad Securities, Inc., is a securities dealer headquartered in Sun City, Arizona, and is not now and has never been registered as a Broker Dealer in the State of North Dakota. Respondent, Warren B. True, is an agent of Pentad Securities, Inc. and has never been registered as a securities salesman in the State of North Dakota.
- 2. In February of 1998, Respondent executed two unsolicited securities transactions in the accounts of Gregory W. Klein, who was then a resident of North Dakota. These transactions were not offered through exempt transactions under §10-04-06 N.D.C.C.
- 3. Pursuant to §10-04-10 N.D.C.C., a securities dealer may not offer for sale or sell any securities within or from this state, except through exempt transactions under §10-04-06 N.D.C.C., unless registered as a broker dealer in North Dakota.
- 4. Pursuant to §10-04-10 N.D.C.C., a securities salesman may not offer for sale or sell any securities within or from this state, except through exempt transactions under §10-04-06 N.D.C.C., unless registered as a salesman in North Dakota.
- 5. Pursuant to §10-04-16 N.D.C.C., whenever it shall appear to the Commissioner that any person has engaged in any act or practice that is declared illegal in Ch. 10-04 N.D.C.C., the Commissioner may issue any order and collect civil penalties in an amount not to exceed \$10,000 for each violation.
- 6. The violations described above constitute sufficient grounds for the imposition of civil penalties under Ch. 10-04 N.D.C.C.
- 7. Respondents waive their right to a hearing in this matter and to present arguments to the Commissioner.

- 8. Respondents acknowledge their right to be represented by legal counsel throughout this proceeding, and have agreed to an informal disposition of this matter, and have affirmatively waived its right to a hearing before the Commissioner on this matter.
- 9. The following Order is necessary and appropriate in the public interest.

NOW, THEREFORE, IT IS ORDERED, THAT:

- Respondents shall not transact any securities business with any person in North Dakota unless registered as a dealer or properly exempted under Ch. 10-04 N.D.C.C.
- 2. Respondents shall not employ any person to represent them as a securities salesman for any securities business with any person in North Dakota unless such person is registered as a salesman or properly exempted under Ch. 10-04 N.D.C.C.
- 3. Respondents shall pay a civil penalty of \$1,500 to the Office of the Securities Commissioner pursuant to §10-04-16 N.D.C.C.

4. This Order shall be effective upon signature of the Commissioner.

Dated at Bismarck, North Dakota, this 4

, 1999.

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North Dakota Securities Commissioner

State Capitol-5th Floor

600 East Boulevard Ave. Bismarck, ND 58505-0510

(701) 328-2910

STATE OF NORTH DAKOTA COUNTY OF BURLEIGH

BEFORE THE SECURITIES COMMISSIONER

In the Matter of Pentad Securities, Inc. and Warren B. True) CONSENT TO ENTRY
) OF ORDER
Respondents.)

The undersigned, acting on behalf of the Respondents, Pentad Securities, Inc. and Warren B. True, states that he/she has read the foregoing Consent Order, and that he/she knows and fully understands its contents and effects. The undersigned attests that he/she is authorized to execute this Consent to Entry of Order on behalf of the Respondent. The Undersigned further acknowledges that Respondent has waived its right to a hearing with respect to this matter; and that Respondent consents to entry of the Consent Order by the Securities Commissioner without admitting or denying the findings of fact and conclusions of law contained herein. It is further expressly understood that the Consent Order constitutes the entire settlement agreement between the parties hereto, there being no other promises or agreements, either expressed or implied.

Dated this 31 day of December, 1998.

Pentad Securities, Inc. 10200 West Bell Road, Suite 123 Sun City, AZ 31902

By: William R. Hoskyns (Type or Print Name)

Signed: Om K. Herbeyus

Capacity: President